**SUMMARY:** This notice informs interested parties of an opportunity to apply for a cooperative agreement for the Medicare Disease Management Demonstration. This demonstration uses disease management interventions to (1) improve the quality of services furnished to specific beneficiaries, (2) introduce full prescription drug coverage to encourage compliance with medical instructions and requirements, and (3) manage expenditures under Parts A and B of the Medicare program. We are interested in testing models aimed at beneficiaries who have one or more chronic conditions that are related to high costs to the Medicare program, namely congestive heart failure, diabetes, or coronary heart disease. We intend to use a competitive application process to select up to three existing disease management organizations to participate in this demonstration.

**Eligible Organizations** Potentially qualified applicants are existing providers of disease management services applicable to the Medicare population specific to the three targeted chronic conditions.

**FOR FURTHER INFORMATION CONTACT:** For information concerning this demonstration, contact Tamara Jackson-Douglas, CMS Project Officer, at (410) 786–9417, or tjackson2@cms.hhs.gov.

**DATES:** Applications will be considered "on time" if we receive them on or before May 23, 2002.

**ADDRESSES:** Mail applications to: Department of Health and Human Services, Centers for Medicare & Medicaid Services, Attention: Tamara Jackson-Douglas, Mail Stop: C4–17–27, 7500 Security Boulevard, Baltimore, Maryland 21244. Applications must be typed for clarity and should not exceed 40 double-spaced pages, exclusive of the executive summary, resumes, forms, and documentation supporting the cost proposal. Please refer to the file code CMS-4030-N on the application. Because of staffing and resource limitations, we cannot accept applications by facsimile (FAX) transmission. Applications postmarked after the closing date, or postmarked on or before the closing date but not received in time for panel review, will be considered late applications.